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SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

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ANNUAL AUDITED REPORT

FORM X-17A-5

PART III

MAR 04 2002

SEC FILE NUMBER
8- 43168

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/1/2001 AND ENDING 12/31/2001
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

OTA Limited Partnership

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

One Manhattanville Road

OFFICIAL USE ONLY
FIRM ID. NO.

(No. and Street)

Purchase NY 10577
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

James W. Santori (914) 694-5800

(Area Code- Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Goldstein Golub Kessler LLP

(Name - if individual, state last, first, middle name)

1185 Avenue of the Americas New York NY 10036-2602
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

PROCESSED
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THOMSON FINANCIAL

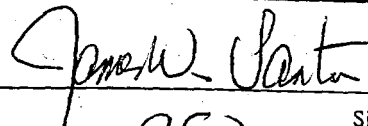
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* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-3(e)(2).

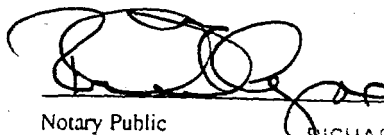
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OATH OR AFFIRMATION

I, James W. Santori _____ swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of OTA Limited Partnership _____, as of 12/31 _____, 2001 _____, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



CFO
Signature
Title



Notary Public

RICHARD M. CAYNE
Notary Public, State of New York
No. 4846342
Qualified in Nassau County
Commission Expires February 28, ~~1999~~ 2002

This report** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Cash Flow.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e) (3).

OTA LIMITED PARTNERSHIP AND SUBSIDIARY

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December 31, 2001

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GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



INDEPENDENT AUDITOR'S REPORT

To the Partners of
OTA Limited Partnership

We have audited the accompanying consolidated statement of financial condition of OTA Limited Partnership and Subsidiary as of December 31, 2001. This financial statement is the responsibility of the Partnership's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

In our opinion, the consolidated statement of financial condition referred to above presents fairly, in all material respects, the consolidated financial position of OTA Limited Partnership and Subsidiary as of December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

Goldstein Golub Kessler LLP
GOLDSTEIN GOLUB KESSLER LLP

February 6, 2002

OTA LIMITED PARTNERSHIP AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

December 31, 2001

ASSETS

Cash	\$ 1,734,804
Receivable from Broker - Dealers and Clearing Organizations (Note 2)	192,935,548
Securities and Options Owned, at Market Value (Note 2)	395,354,321
Exchange Memberships Owned, at Cost (Market Value \$360,000)	99,500
Fixed Assets (net of Accumulated Depreciation of \$9,791,255)	2,596,929
Other Assets	7,228,880
Total Assets	\$599,949,982

LIABILITIES AND PARTNERS' CAPITAL

Liabilities:

Notes Payable (Note 3)	\$ 8,496,902
Payable to Broker - Dealers and Clearing Organizations	1,048,763
Securities and Options Sold, not yet purchased, at Market Value (Note 2)	471,105,865
Accrued Expenses and Other Liabilities	17,606,906
Total liabilities	498,258,436
Partners' Capital	101,691,546
Total Liabilities and Partners' Capital	\$599,949,982

See Notes to Statement of Financial Condition

OTA LIMITED PARTNERSHIP AND SUBSIDIARY

NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL CONDITION December 31, 2001

- 1. ORGANIZATION:** OTA Limited Partnership, a Delaware limited partnership, is a registered broker and dealer in securities under the Securities Exchange Act of 1934, and trades for its own account as a dealer on the principal United States securities exchanges. OTA Limited Partnership also conducts customer agency business, primarily for institutional clients, whose transactions are cleared on a fully disclosed basis with a clearing broker.

OTA Limited Partnership is the sole member of Options Trading Associates LLC, a Delaware limited liability company, which is a registered broker and dealer in securities under the Securities Exchange Act of 1934, and trades for its own account. Options Trading Associates LLC (the "Subsidiary") is consolidated with OTA Limited Partnership for regulatory and financial statement purposes.

OTA Limited Partnership and Subsidiary are referred to collectively as the "Partnership."

The Partnership is a nonclearing broker-dealer and is exempt from the provisions of rule 15c3-3 as all customer accounts, as defined, are carried by the clearing broker, and cleared on a fully disclosed basis.

- 2. SIGNIFICANT ACCOUNTING POLICIES:** The consolidated statement of financial condition includes the accounts of the Partnership. All significant intercompany account balances and transactions have been eliminated.

The Partnership records transactions in securities and options and the related revenue and expenses on a trade-date basis.

Securities and options owned or securities and options sold, not yet purchased by the Partnership, are valued at their prevailing market prices. All resulting unrealized gains and losses are reflected in Partners' capital.

In the course of its normal trading activities, the Partnership is a party to financial instruments which involve, to indeterminable degrees, market risk in excess of that presented in the consolidated statement of financial condition. These instruments include puts and calls written on stock, and obligations arising from securities sold, not yet purchased (see Note 7).

The clearing and depository operations for the Partnership's securities and options transactions are provided primarily by one broker. At December 31, 2001, substantially all of the securities and options owned and the receivable from brokers reflected in the consolidated statement of financial condition are securities and options positions with and amounts due from this clearing broker. For financial reporting purposes, amounts due to broker have been offset against amounts due from broker for securities sold, not yet purchased, and other items. The securities serve as collateral for the amount due to the broker. Subject to the clearing agreement between the Partnership and the clearing broker, the clearing broker has the right to sell or repledge this collateral.

OTA LIMITED PARTNERSHIP AND SUBSIDIARY

NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL CONDITION December 31, 2001

Additionally, investments in securities and securities sold, not yet purchased, are subject to margin requirements.

The Partnership has agreed to indemnify its clearing broker for losses that the clearing broker may sustain from the customer accounts introduced by the Partnership.

This statement has been prepared in conformity with accounting principles generally accepted in the United States of America which require the use of estimates by management.

The Partnership maintains cash in bank deposit accounts which, at times, may exceed federally insured limits.

No provision is made in the accompanying consolidated statement of financial condition for federal or state income taxes since such liabilities are the responsibility of the individual Partners.

3. RELATED PARTY TRANSACTIONS:

Other assets include \$3,858,439 due from affiliated entities, officers and employees of the Partnership. Subsequent to year-end, substantially all of this amount was repaid.

Notes payable represent loans by employees and related entities to the Partnership. The notes bear interest at the clearing broker's rate. Accordingly, the fair value of the notes payable approximates the carrying amount.

4. REGULATORY REQUIREMENTS:

As a registered broker-dealer and member of the National Association of Securities Dealers, Inc., the Partnership is subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Commission. OTA Limited Partnership computes its net capital under the alternative method permitted by the rule, which requires that the minimum net capital be equal to the greater of \$250,000 or 2% of aggregate debit items, as defined. At December 31, 2001, the Partnership had net capital of \$44,848,812, which exceeded the requirement of \$250,000 by \$44,598,812.

5. COMMITMENTS:

The Partnership occupies office space under several noncancelable leases which expire between 2001 and 2009. The aggregate minimum rental commitments under these leases are as follows:

Year ending December 31,

2002	\$ 795,199
2003	667,732
2004	667,732
2005	667,732
2006	667,732
Thereafter	2,044,458
	<hr/>
	\$5,510,585

OTA LIMITED PARTNERSHIP AND SUBSIDIARY

NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

December 31, 2001

The leases, in addition to base rentals, provide for rent escalations resulting from increased real estate taxes and other charges which are not reflected in the amounts above.

6. **EMPLOYEE BENEFIT PLANS:** OTA Limited Partnership has an employee benefit plan under Section 401(k) of the Internal Revenue Code. Matching contributions made by OTA Limited Partnership to the plan are based on a specified percentage of employee contributions. Additionally, OTA Limited Partnership has a profit-sharing plan to which it may contribute an amount at its discretion.
7. **DERIVATIVE FINANCIAL INSTRUMENTS:** The Partnership's activities include the purchase and sale of derivative financial instruments in the form of equity options. These derivatives are used for trading purposes and for managing risks associated with the portfolio of securities. The Partnership's core trading positions involve risk-defined hedged strategies. Accordingly, management believes that any risk is significantly minimized through its hedging strategies. All positions are reported in the accompanying consolidated statement of financial condition at market value and any change in market value is reflected in Partners' capital.
8. **SUBSEQUENT EVENT:** Subsequent to December 31, 2001, net withdrawals of Partners' capital were approximately \$13,390,985.



**OTA LIMITED PARTNERSHIP
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF
FINANCIAL CONDITION**

DECEMBER 31, 2001

GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants





**OTA LIMITED PARTNERSHIP
AND SUBSIDIARY**

**INDEPENDENT AUDITOR'S
SUPPLEMENTARY REPORT ON
INTERNAL CONTROL**

DECEMBER 31, 2001

GOLDSTEIN GOLUB KESSLER LLP

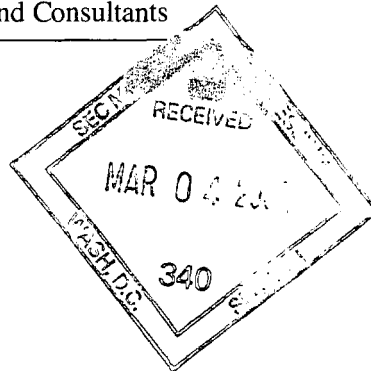
Certified Public Accountants and Consultants





GOLDSTEIN GOLUB KESSLER LLP

Certified Public Accountants and Consultants



INDEPENDENT AUDITOR'S SUPPLEMENTARY REPORT ON INTERNAL CONTROL

To the Partners of
OTA Limited Partnership

In planning and performing our audit of the financial statements and supplemental schedule of OTA Limited Partnership and Subsidiary (the "Partnership") for the year ended December 31, 2001, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Partnership including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Partnership does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Partnership in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Partnership is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute assurance that assets for which the Partnership has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Partnership's practices and procedures were adequate at December 31, 2001 to meet the SEC's objectives.

This report is intended solely for the information and use of the board of directors, management, the SEC, the National Association of Securities Dealers, Inc. and any other regulatory agencies which rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Goldstein Golub/Kessler LLP
GOLDSTEIN GOLUB KESSLER LLP

February 6, 2002